

Message Text

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62

ACTION ARA-20

INFO OCT-01 ADP-00 AID-20 EB-11 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

DODE-00 PA-03 USIA-12 PRS-01 TAR-02 L-03 RSR-01 /151 W

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R 102056Z JUL 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 483

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EO 11652: N/A

TAGS: EFIN VE

SUBJECT: GOVERNMENT SAYS NOT CONSIDERING REVALUING BOLIVAR

1. ACCORDING TO PRESS, FINANCE MINISTER OBERTO STATED JULY 9 THAT VENEZUELA HAS NO PLANS AT PRESENT TO REVALUE BOLIVAR IN LIGHT OF CURRENT INTERNATIONAL MONETARY CRISIS. OBERTO'S STATEMENT IS REPORTED TO BE IN RESPONSE TO REPORTS THAT MONETARY EXPERTS FROM CENTRAL BANK AND CORDIPLAN (NATIONAL PLANNING OFFICE) HAVE BEEN CONSULTING OTHER LATIN AMERICAN MONETARY AUTHORITIES RE COMPENSATORY ADJUSTMENTS EXCHANGE RATES. OBERTO CITED SATISFACTORY STATUS OF ECONOMY AND HIGH LEVEL EXCHANGE RESERVES AS BASIS FOR STABILITY OF BOLIVAR. OBERTO ADDED THAT IF NECESSARY TO COUNTERACT EROSION OF PURCHASING POWER FOR IMPORTS FROM KEY CURRENCY AREAS, ADJUSTMENTS COULD BE MADE THROUGH TARIFF SYSTEM.

2. EMBASSY DISCUSSION WITH VENEZUELAN CUSTOMS SEEMS TO INDICATE THAT OBERTO IS NOT RPT NOT CONTEMPLATING CHANGES IN TARIFF RATE, WHICH WOULD REQUIRE MODIFICATION BY EXECUTIVE DECREE, BUT RATHER EXONERATION FROM TARIFFS ON CRITICAL IMPORTS, IF NECESSARY.

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3. IN EVENT THAT EXONERATION WOULD APPLY TO ALL
EXPORTING COUNTRIES ALIKE OUR MFN CLAUSE WOULD NOT
NEED TO BE INVOKED. HOWEVER, IF VENEZUELAN GOVERNMENT
INTENDS TO DISCRIMINATE AGAINST U.S. EXPORTS EMBASSY
WOULD BE PREPARED TO PROTEST SUCH ACTION ON BAIS OF
MFN CLAUSE.
MCCLINTOCK

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Message Attributes

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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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